

Message Text

CONFIDENTIAL

PAGE 01 MADRID 00694 281658Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 EB-08 CU-02 L-03 OES-06 PM-04
NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00 TRSE-00
OMB-01 MC-02 ACDA-07 AID-05 IGA-02 PRS-01 SAJ-01
SSO-00 NSCE-00 INRE-00 DODE-00 HEW-04 USIE-00 /088 W
-----281723Z 090397 /44

O 281544Z JAN 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC IMMEDIATE 8783

C O N F I D E N T I A L MADRID 694

E.O. 11652: GDS
TAGS: PFOR, ECON, SP
SUBJECT: US-SPANISH COUNCIL - JOINT ECONOMIC COMMITTEE

REF: (A) 76 MADRID 8743; (B) STATE 14285

SUMMARY: WE ARE IN RECEIPT OF AN EARNEST SPANISH GOVT REQUEST THAT THE JOINT ECONOMIC COMMITTEE (JEC)--ESTABLISHED IN SEPT BY THE TREATY OF FRIENDSHIP AND COOPERATION BUT WHICH HAS YET TO MEET--BE CONVENED FEB 7 AND 8 IN MADRID. FULLY RECOGNIZING THE DIFFICULTIES THIS POSES, WE RECOMMEND THAT EFFORT BE MADE TO ACCOMMODATE THE SPANISH IN THIS. END SUMMARY.

1. OF THE 5 JOINT COMMITTEES ESTABLISHED UNDER THE US-SPANISH COUNCIL BY THE TREATY, MEETINGS HAVE NOW BEEN HELD AT ONE LEVEL OR ANOTHER BY ALL BUT THE JEC. THE SPANISH HAVE WANTED TO INAUGURATE THIS COMMITTEE HERE WITH REPRESENTATION FROM WASHINGTON AS EVIDENCE OF THE IMPORTANCE ATTACHED TO IT. THUS FAR, BECAUSE OF THIS REQUIREMENT AND BECAUSE OF CHANGES IN THE RESPECTIVE DESIGNATED CO-CHAIRMEN, NO MUTUALLY CONVENIENT TIME HAS YET BEEN FOUND FOR AN INAUGURAL SESSION. WITH APOLOGIES FOR THE SHORT NOTICE, THE SPANISH SIDE OF THE JEC NOW ASKS THAT EVERY EFFORT BE MADE TO HOLD THIS INAUGURAL SESSION PRIOR TO THE FIRST MEETING OF THE US-SPANISH COUNCIL IN MADRID, WHICH IS CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MADRID 00694 281658Z

TO BE HELD ON FEB 9. THEY ARGUE THAT IT WILL BE IMPORTANT TO THE PUBLIC IMAGE OF THE COUNCIL IN SPAIN TO BE ABLE TO DEMONSTRATE THAT ALL JOINT COMMITTEES ARE FUNCTIONING AND IN PARTICULAR THIS ONE WHICH WAS ESTABLISHED TO DEAL WITH THE AREA OF OUR BILATERAL RELATIONS IN WHICH THE SPANISH MOST SEEK IMPROVEMENTS. FOREIGN MINISTRY OFFICIALS ARE CLEARLY CONCERNED THAT THEY MAY BE SUBJECT TO CONSIDERABLE CRITICISM IF THE

COUNCIL MEETS WITHOUT THEIR BEING ABLE TO DEMONSTRATE SOME FORWARD MOVEMENT IN THIS AREA.

2. THE AGENDA THEY PROPOSE PREDICTABLY RUNS THE GAMUT OF BILATERAL ECONOMIC PROBLEMS WHICH HAVE ARISEN OVER THE PAST SEVERAL YEARS, I.E.:

I. THE SPANISH-AMERICAN TRADE BALANCE AND OBSTACLES TO NORMAL DEVELOPMENT OF COMMERCE

(A) THE TRADE BALANCE/SPANISH DEFICIT

(B) QUANTITATIVE RESTRICTIONS ON SPANISH EXPORTS

--QUOTAS ON SPECIAL STEELS

--ITC RECOMMENDATION ON SHOE IMPORTS

(C) COMPENSATORY DUTIES ON SPANISH AND AMERICAN EXPORTS

--REQUEST TO THE TREASURY THAT IT RECONSIDER ITS POSITION ON THE SPANISH "DESGRAVACION FISCAL"

--DISCUSSION OF THE US IMPOSITION OF COUNTERVAILING DUTIES ON SHOES, OLIVES, VITAMIN K AND ZINC

--THE DISC SYSTEM

II. OTHER SUBJECTS

(A) FISHING

(B) THE FOOD & DRUG ADMINISTRATION ACTIONS AGAINST SPANISH EXPORTS

(C) GSP

(D) FLOW OF PRIVATE INVESTMENT

3. CLEARLY, DETAILED DISCUSSIONS ON SUCH A VARIETY OF COMPLEX SUBJECTS ARE IMPOSSIBLE IN THE BRIEF TIME ALLOTTED. FROM THE SPANISH POINT OF VIEW IT IS IMPORTANT, HOWEVER, TO BE ABLE TO RECORD IN THIS FORUM THE CONCERNS OF ALL MAJOR DOMESTIC ECONOMIC CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 00694 281658Z

SECTORS WHICH BELIEVE THEMSELVES TO BE ADVERSELY AFFECTED BY US TRADE POLICIES. ALSO, THE SPANISH GOVT HAS ALREADY MADE CLEAR ITS HOPE TO ESTABLISH A PATTERN OF CONSULTATIONS IN WHICH INDIVIDUAL BILATERAL ECONOMIC PROBLEMS CAN BE CONSIDERED IN THE BROADER CONTEXTS OF SPAIN'S TRADE DEFICIT WITH THE UNITED STATES, OF LARGELY POLITICAL CONSIDERATIONS AND OF THE SPECIAL RELATIONSHIP ESTABLISHED BY THE TREATY.

4. ON SPECIFIC ISSUES, THE SPANISH ARE PROBABLY REALISTIC ABOUT THE CHANCES OF REVERSING EARLIER DECISIONS, BUT THEY DO HOPE TO INFLUENCE FUTURE US DECISIONS ON SHOES AND ON ANY "ESCAPE CLAUSE" AND COUNTERVAILING DUTY PETITIONS. THESE ARE FOR THEM THE MAJOR PRESENT ISSUES AND CAN BE EXPECTED TO RECEIVE THE MOST EMPHASIS IN THE JEC. ON FISHING, THEY WILL PUT ON RECORD SPAIN'S DESIRE FOR GUARANTEED ACCESS TO US FISHING GROUNDS. ON GSP, WE WOULD EXPECT NOT MUCH MORE THAN A STATEMENT FOR THE RECORD THAT SPAIN'S TRADE DEFICIT AND HER DEVELOPING NATION STATUS DESERVE GSP RECOGNITION.

5. RECOGNIZING THAT THE JEC MAY NOT BE, FROM OUR POINT OF VIEW, THE IDEAL FORUM FOR DISCUSSION OR RESOLUTION OF SPECIFIC ISSUES WHICH ARE CONTROLLED BY VARYING KINDS OF US LEGISLATION, WE DID NEVERTHELESS COMMIT OURSELVES IN THE TREATY TO CARRYING OUT A REGULAR PROGRAM OF CONSULTATIONS ON ALL ECONOMIC MATTERS OF MUTUAL INTEREST IN THE JEC, AND WE AGREED THAT PROBLEMS WHICH CANNOT BE RESOLVED IN THE JEC MAY BE RAISED AT THE LEVEL OF THE COUNCIL
ITSELF. TO CONTINUE TO POSTPONE HOLDING THESE CONSULTATIONS WILL, WE BELIEVE, ONLY ADD TO THE FEELING IN SOME SPANISH CIRCLES THAT WE ARE NOT TAKING SPAIN'S ECONOMIC INTERESTS SERIOUSLY ENOUGH.

6. TO AVOID UNNECESSARILY GIVING RISE TO SUCH ALLEGATIONS, WE BELIEVE IT WOULD BE USEFUL TO BEND EVERY EFFORT TO ACCOMMODATE THE SPANISH DESIRE FOR A MEETING OF THE JEC ON FEB 7 AND 8. INDEED, THERE MAY BE SOME ADVANTAGE TO A MEETING ARRANGED ON SUCH SHORT NOTICE IN THAT WE MAY LOGICALLY LIMIT OUR PARTICIPANTS TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MADRID 00694 281658Z

CIPATION ON THIS OCCASION LARGELY TO LISTENING SYMPATHETICALLY TO THE SPANISH EXPOSITION OF THEIR CASE.

7. WE HOPE THAT IT MAY BE POSSIBLE FOR ASST SECY KATZ TO ATTEND THIS MEETING IN HIS CAPACITY AS US CO-CHAIRMAN. IF THIS IS NOT POSSIBLE, AND SINCE THE SPANISH SIDE IS EVEN MORE CONCERNED WITH THE TIMING THAN WITH THE LEVEL OF REPRESENTATION, WE BELIEVE THEY MIGHT FIND IT ACCEPTABLE FOR THE US SIDE TO BE REPRESENTED AT THE DEPUTY ASST SECY LEVEL. IT WOULD ALSO BE USEFUL IF THE WASHINGTON PARTICIPANT COULD PLAN TO REMAIN IN MADRID FEB 9 FOR THE EXPECTED BRIEF DISCUSSION OF ECONOMIC QUESTIONS IN THE COUNCIL.

8. WE WOULD APPRECIATE THE EARLIEST POSSIBLE RESPONSE. STABLER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, COMMITTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID00694
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770031-0819
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977019/aaaaahhs.tel
Line Count: 153
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a3f1e4dd-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 MADRID 8743, 77 STATE 14285
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3678105
Secure: OPEN
Status: NATIVE
Subject: US-SPANISH COUNCIL - JOINT ECONOMIC COMMITTEE
TAGS: PFOR, ECON, SP, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a3f1e4dd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009